
Fiscal Year Ending March 31, 2021 First Quarter Financial Results Presentation

[U.S. Accounting Standards]

**Wacoal Holdings Corp.
July 31, 2020**

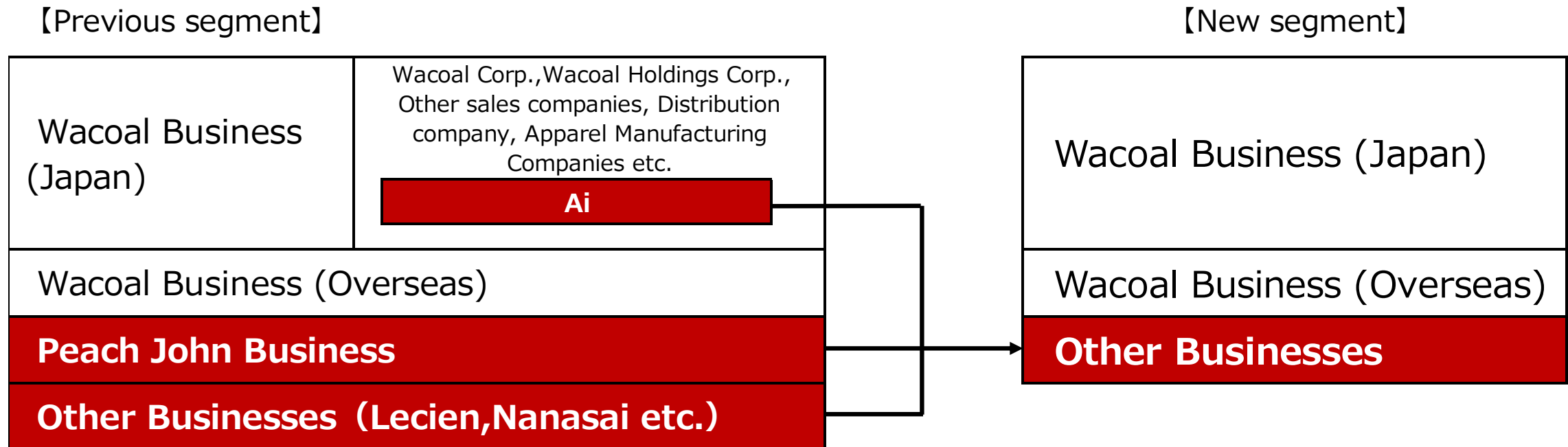
Matters Related to Business Segment Changes, etc.

Starting from the current consolidated first quarter, information on Ai Co., Ltd., which was previously presented in our “Wacoal Business (Domestic)” segment and “Peach John Business” segment, is now reflected and presented in our “Other” segment following review of certain management classification of performance within our group.

The segment information for the previous consolidated cumulative first quarter has been prepared based on the segments reported after this change.

(Please see slide 57 for an outline of the new business segment)

Outline of business segment changes



Fiscal Year Ending March 31, 2021

First Quarter results (April – June)

Akira Miyagi

Director and Managing Corporate Officer
Wacoal Holdings Corp.

Both Japan and overseas businesses experienced significant declines in sales due to store closures resulting from the spread of the coronavirus outbreak

(As a result of easing lockdowns and the lifting of the state of emergency declaration, as of June, operations at stores around the world have restarted)

- Net sales: -40% (Wacoal -47%, US -32%, Europe -53%, China -44%)
- Operating loss: -¥4.5 billion (Wacoal business (Japan) -¥3.1 billion, Wacoal business (overseas) -¥1 billion, Others -¥400 million)

Net sales **¥28.6 billion** -¥18.8 billion year over year (YoY), (-40%)

- Though Wacoal's own EC business was strong (+91%), sales declined significantly in the wholesale and retail businesses due to the large impact of store closures
- Overseas, though there were positive effects from the new consolidation of IO Inc., sales decreased significantly in the US, Europe, China, and other overseas locations due to the impact of store closures

Operating loss **-¥4.5 billion** -¥8.1 billion YoY

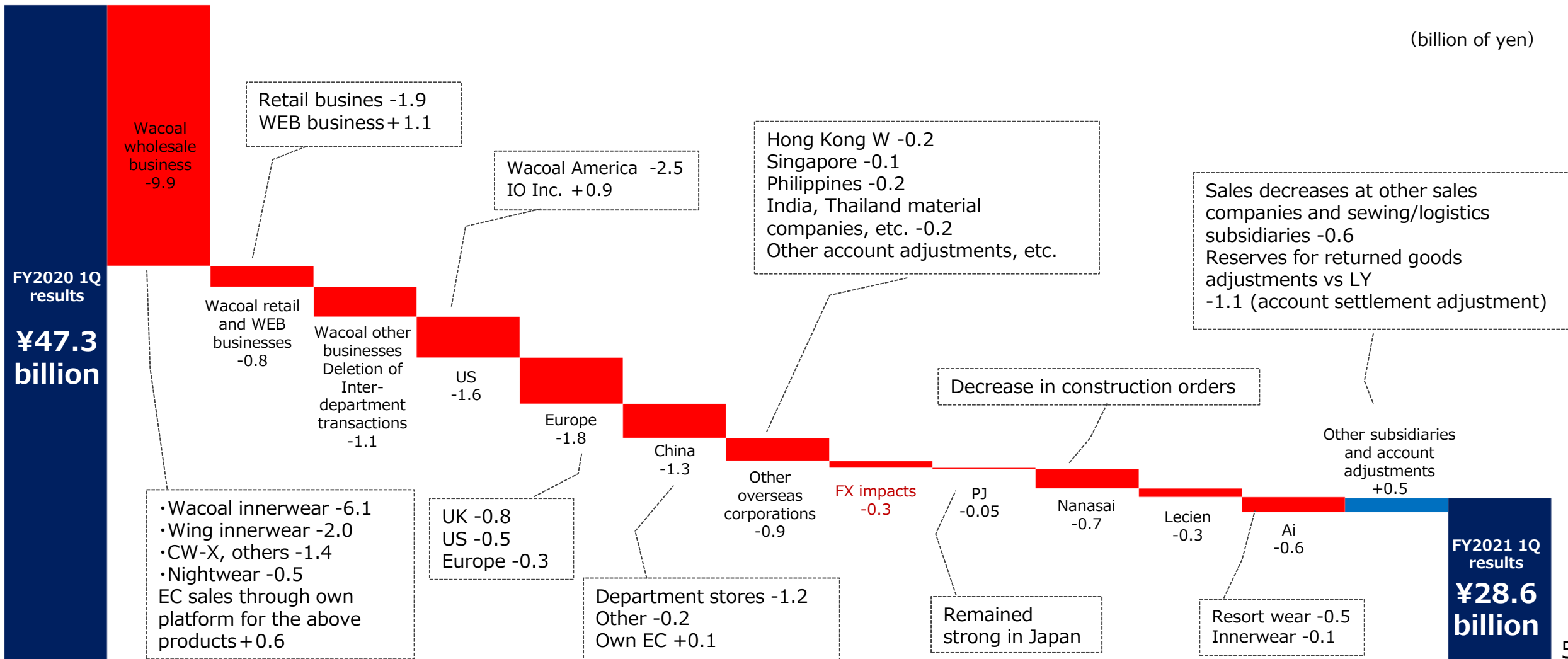
- Though efforts to reduce costs were implemented at each company, an operating loss was recorded due to the inability to absorb the drop in sales profit brought about by decreased sales
- Domestically, Peach John turned profitable due to EC business growth and contributions from efforts to improve productivity that have been underway since last year

Losses before income taxes and equity in net income of affiliated companies **-¥2.9 billion** -¥4.4 billion YoY

- A loss was recorded due to the significant impact of the operating loss
- Net valuation gain of ¥800 million was recorded on securities and investments

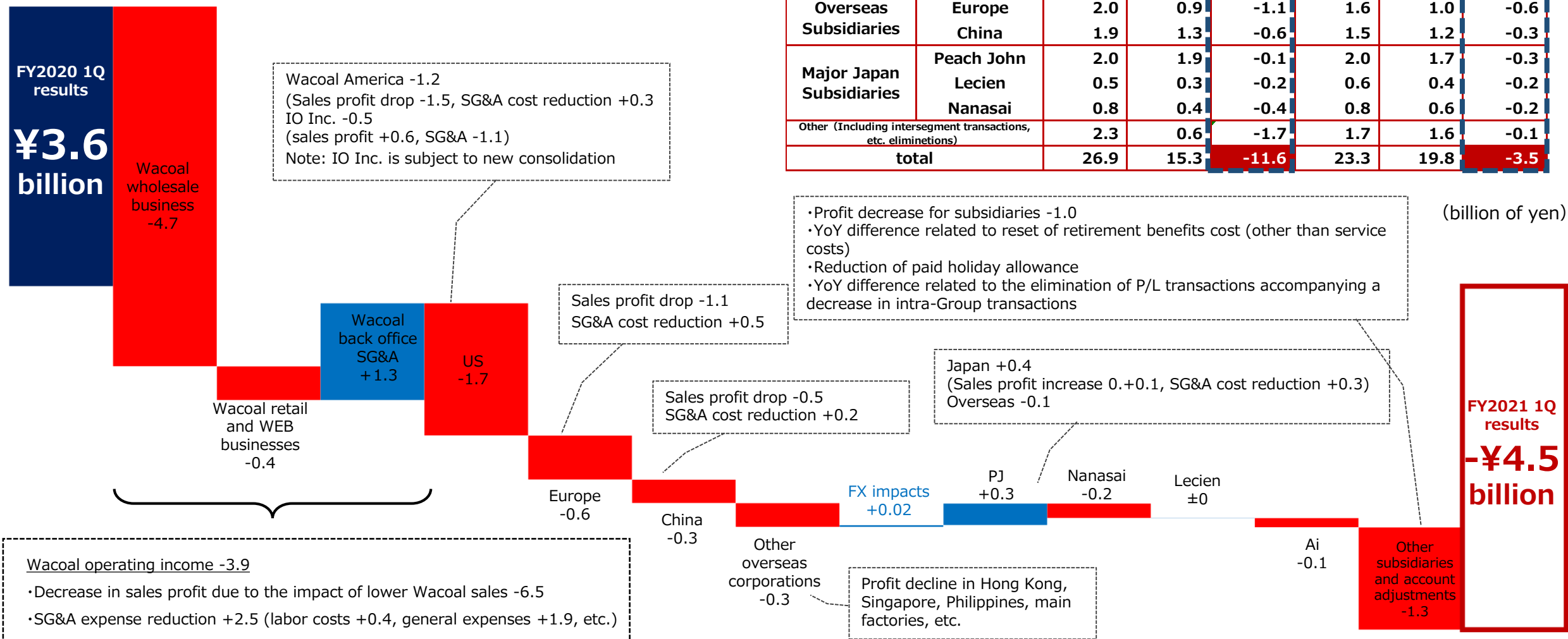
FY2021 1Q: YoY Increase/Decrease in Net Sales

➤ **Net sales: Down ¥18.8 billion**
(of that, the effect of currency exchange accounted for about ¥250 million)



FY2021 1Q: YoY Increase/Decrease in Operating Income

➤ Operating income: Down ¥8.1 billion



YoY differences in sales profit and SG&A expenses

		Sales profit			S, G&A Expenses		
		FY2020 1Q results, 3 months	FY2021 1Q results, 3 months	Year on Year	FY2020 1Q results, 3 months	FY2021 1Q results, 3 months	Year on Year
Wacoal		14.7	8.2	-6.5	13.3	10.8	-2.5
Major Overseas Subsidiaries	America	2.7	1.7	-1.0	1.8	2.5	0.7
	Europe	2.0	0.9	-1.1	1.6	1.0	-0.6
	China	1.9	1.3	-0.6	1.5	1.2	-0.3
Major Japan Subsidiaries	Peach John	2.0	1.9	-0.1	2.0	1.7	-0.3
	Lecien	0.5	0.3	-0.2	0.6	0.4	-0.2
	Nanasai	0.8	0.4	-0.4	0.8	0.6	-0.2
Other (Including intersegment transactions, etc. eliminations)		2.3	0.6	-1.7	1.7	1.6	-0.1
total		26.9	15.3	-11.6	23.3	19.8	-3.5

(Reference)

Changes in sales for major companies and business units for the Jan – Jun period (rate of change)

- Sales have been recovering since the lifting of the state of emergency declaration
- For June, the domestic wholesale business had favorable sales on a store basis, but was impacted by inventory control implemented by customers, etc.

(Note: Wacoal store-based sales are noted on slide 50)

	Net sales change rate★1					
	Jan.	Feb.	Mar.	Apr.	May	Jun.
Wholesale Business Div.	- 1.1%	- 2.8%	- 32.7%	- 71.5%	- 48.7%	- 21.7%
Retail and WEB Business Dept.	+4.9%	+2.7%	- 7.5%	- 42.7%	- 12.8%	+17.4%
* Increase / decrease rate only for in-house EC in WEB business Dept.	+13.7%	+15.4%	+21.1%	+76.4%	+106.1%	+84.6%
Wacoal (★2)	- 0.9%	- 1.8%	- 29.2%	- 72.1%	- 49.8%	- 16.3%
Wacoal America, Inc. (★3) (Local Currency Basis USD'000)	+9.1%	+2.6%	- 10.8%	- 68.3%	- 55.0%	- 26.6%
* Among Wacoal America, Inc., the rate of increase/decrease in EC sales including own and other company.	+16.7%	+34.5%	+14.3%	- 25.8%	+36.7%	+30.2%
Wacoal Europe Ltd. (Local Currency Basis GBP'000)	- 9.6%	+8.8%	- 39.9%	- 73.3%	- 54.9%	- 20.2%
Wacoal China Co., Ltd. (Local Currency Basis CNY'000)	- 3.5%	- 80.9%	- 48.2%	- 36.7%	+10.6%	- 4.6%
Peach John (Japan)	+17.5%	+20.6%	- 14.1%	- 19.0%	- 6.6%	+32.4%
Ai	+2.4%	- 14.1%	- 14.8%	- 36.1%	- 28.8%	- 20.7%
Lecien (Japan)	- 23.1%	- 7.9%	- 19.0%	- 43.9%	- 40.9%	- 38.4%
Nanasai	- 1.1%	- 7.5%	- 34.9%	- 83.8%	- 73.7%	- 50.5%

★1 The figure before the transfer of internal expenses. Shows year-on-year changes, including internal sales.

★2 In addition to the three businesses listed, the figures include sales of other businesses and eliminations between business divisions.

★3 The figures for Wacoal America only are disclosed. It is not the figures of sales of Wacoal International including Intimates Online Inc.(LIVELY) .

FY2021 1Q: Financial Results Overview

(Millions of yen)

	FY2020 1Q results, 3 months		FY2021 1Q results, 3 months		Year on Year	
		% Of sales		% Of sales	Change	% Change
Consolidated net sales	47,313		28,551		-18,762	- 39.7%
Cost of Sales	20,406	43.1	13,271	46.5	-7,135	- 35.0%
Sales profut	26,907	56.9	15,280	53.5	-11,627	- 43.2%
S, G&A Expenses	23,263	49.2	19,752	69.2	-3,511	- 15.1%
Operating Income (loss)	3,644	7.7	-4,472	-	-8,116	-
Other income (expenses)	814	-	730	-	-84	- 10.3%
A:Valuation gain (loss) on marketable securities and investments – net	-2,938	-	824	-	3,762	-
Income before taxes (loss)	1,520	3.2	-2,918	-	-4,438	-
Net income attributable (loss) to Wacoal Holdings Corp.	1,192	2.5	-3,195	-	-4,387	-

Reference figure:

Income before income taxes and equity in net income of affiliated companies not taking into account A

4,458

9.4

-3,742

-

-8,200

-

FY2021 1Q: Financial Results Summary (by segment)

(Millions of yen)

	FY2020 1Q results, 3 months		FY2021 1Q results, 3 months		Year on Year	
		ratio		ratio	Change	% Change
Wacoal Business (Japan)	26,583	56.2	15,529	54.4	-11,054	- 41.6%
Wacoal Business (Overseas)	13,597	28.7	7,847	27.5	-5,750	- 42.3%
Other Businesses	7,133	15.1	5,175	18.1	-1,958	- 27.4%
Consolidated net sales	47,313	100	28,551	100	-18,762	- 39.7%

	FY2020 1Q results, 3 months		FY2021 1Q results, 3 months		Year on Year	
		% Of sales		% Of sales	Change	% Change
Wacoal Business (Japan)	1,974	54.2	-3,058	—	-5,032	—
Wacoal Business (Overseas)	1,862	51.1	-1,027	—	-2,889	—
Other Businesses	-192	—	-387	—	-195	—
Operating income (loss)	3,644	7.7	-4,472	—	-8,116	—

FY2021 1Q: Reporting by Segment [Wacoal Business (Japan)]

Sales decreased significantly due to the impact of store closures at directly-managed stores and by customers during the state of emergency declaration

Net sales → **¥15.5 billion** -¥11.1 billion YoY (-42%)

➤ While physical stores were closed, Wacoal's own EC business achieved high growth by capturing demand from those staying at home

Operating loss → **-¥3.1 billion** -¥5 billion YoY

➤ Wacoal's sales decreased significantly, and though efforts were made to cut costs, the decrease in sales could not be absorbed

(Millions of yen)

	FY2020 1Q results, 3 months		FY2021 1Q results, 3 months		Year on Year		comment
	ratio		ratio		Change	% Change	
Wholesale Business Div.	20,494	-	10,562	-	-9,932	- 48.5%	■ Wholesale business: In addition to store closures, the business was also affected by customer inventory controls in June ■ Retail business: Sales decreased significantly due to directly-managed store closures. June store-based sales recovered to 94% YoY. ■ Own EC: Sales were favorable as the business benefited from people showing self-restraint related to going out (YoY +91%, +¥1.1 billion) -As a result of the above, Wacoal net sales decreased by 46.6% ■ The reset amount for adjustment reserves for returned goods was a plus as deliveries decreased (+¥1.1 billion YoY) -As a result of the above, Wacoal business (domestic) net sales decreased by 41.6%
Retail and WEB Business Dept.	6,326	-	5,524	-	-802	- 12.7%	
Others	-1,355	-	-2,483	-	-1,128	-	
Wacoal	25,465	95.8	13,603	87.6	-11,862	- 46.6%	
Intersegment transactions, etc. eliminations	1,118	4.2	1,926	12.4	808	+72.3%	
Net sales	26,583	100.0	15,529	100.0	-11,054	- 41.6%	
Wholesale Business Div.	4,159	20.3	-526	-	-4,685	-	
Retail and WEB Business Dept.	679	10.7	237	4.3	-442	- 65.0%	
Others	-3,516	-	-2,254	-	1,262	-	
Wacoal	1,321	5.2	-2,543	-	-3,864	-	
Intersegment transactions, etc. eliminations	653	-	-515	-	-1,168	-	
Operating income (loss)	1,974	7.4	-3,058	-	-5,032	-	

FY2021 1Q: Reporting by Segment [Wacoal Business (Overseas)]

The spread of the coronavirus outbreak had a negative impact on operations in all countries and regions where we conduct business

Net sales → **¥7.8 billion** -¥5.8 billion YoY (-42%)

- Sales decreased significantly due to lockdown measures in major cities and the impact of store closures and self-restraint from going out (FX impacts -¥250 million)

Operating loss → **-¥1 billion** -¥2.9 billion YoY

- Though each company made efforts to reduce costs and made use of government support measures, an operating loss was recorded due to the significant decline in sales

(Millions of yen)

	FY2020 1Q results, 3 months		FY2021 1Q results, 3 months		Year on Year		comment
		ratio		ratio	Change	% Change	
Wacoal International Corp. (U.S.)	5,039	37.1	3,404	43.4	-1,635	- 32.4%	■ US: Local currency basis -31%, ■ IO Inc., result of new consolidation +¥900 million ■ W Europe: Local currency basis -50% ■ Each region struggled (UK -65%, US -44%, Europe-41%) ■ China: Local currency basis -42% ■ Though stores suffered a significant decrease in sales, EC sales at other companies remained strong (+15%) ■ Hong Kong -¥200 million, Philippines -¥200 million, Singapore -¥100 million, Thailand (material company) -¥100 million -As a result of the above, Wacoal business (overseas) net sales decreased by 42.3%
Wacoal Europe Ltd.	3,517	25.9	1,668	21.3	-1,849	- 52.6%	
Wacoal China Co., Ltd.	3,112	22.9	1,733	22.1	-1,379	- 44.3%	
Intersegment transactions, etc. eliminations	1,929	-	1,042	-	-887	- 46.0%	
Net Sales	13,597	100.0	7,847	100.0	-5,750	- 42.3%	
Wacoal International Corp. (U.S.)	868	17.2	-837	-	-1,705	-	■ Wacoal America: Operating loss of ¥370 million ■ IO Inc.: operating loss of ¥470 million ■ Despite cost reductions, the impact of decreased sales was significant, resulting in an operating loss ■ As a result of cost cutting and the utilization of government measures, profitability was secured ■ Hong Kong, Singapore, the Philippines and others, as well as major sewing factories saw decreased profits -As a result of the above, Wacoal business (overseas) recorded an operating loss of ¥1 billion
Wacoal Europe Ltd.	338	9.6	-224	-	-562	-	
Wacoal China Co., Ltd.	429	13.8	117	-	-312	- 72.7%	
Intersegment transactions, etc. eliminations	227	-	-83	-	-310	-	
Operating income (loss)	1,862	13.7	-1,027	-	-2,889	-	

FY2021 1Q: Reporting by Segment [Wacoal Business (Other)]

Supported by the high growth of its own EC business, PEACH JOHN's sales were strong even in the COVID-19 environment

Net sales → **¥5.2 billion** -¥2 billion YoY (-27%)

- NANASAI (a large decrease in construction orders) and Ai (slumping demand for resort wear) were greatly affected by the spread of the coronavirus outbreak

Operating loss → **-¥400 million** -¥200 million YoY

- PEACH JOHN returned to the black by increasing domestic revenue, controlling SG&A expenses, and reducing rent. Other businesses recorded operating losses

(Millions of yen)

	FY2020 1Q results, 3 months		FY2021 1Q results, 3 months		Year on Year		comment	
	ratio	ratio	Change	% Change				
Other	Peach John	2,587	36.3	2,538	49.0	-49	- 1.9%	<ul style="list-style-type: none"> ■ Peach John: Domestically, growth of the company's own EC business contributed, and sales increased 3.2% (overseas was sluggish) ■ Struggled because PB products could not be delivered to mass retailers and specialty stores due to the impact of their inventory controls ■ Sales declined due to a decrease in construction orders from customers ■ Construction orders were sluggish due to the impact of the cancellation/postponement of various events and new store openings because of the spread of infectious disease ■ Sales at other subsidiaries (temporary staffing companies, etc.) also decreased —As a result of the above, net sales at other businesses decreased by 27.4%
	Lecien	1,329	18.6	996	19.2	-333	- 25.1%	
	Nanasai	1,973	27.7	1,235	23.9	-738	- 37.4%	
	Ai	818	11.5	252	4.9	-566	- 69.2%	
	Intersegment transactions, etc. eliminations	426	—	154	—	-272	- 63.8%	
	Net Sales	7,133	100.0	5,175	100.0	-1,958	- 27.4%	
	Peach John	-42	—	241	9.5	283	—	
	Lecien	-104	—	-103	—	1	—	
	Nanasai	10	—	-181	—	-191	—	
	Ai	-67	—	-189	—	-122	—	
	Intersegment transactions, etc. eliminations	11	—	-155	—	-166	—	
	Operating income (loss)	-192	—	-387	—	-195	—	

Full-year Forecasts for Fiscal Year Ending March 31

FY2021: Full-year Outlook

Though a gradual recovery from consumption slump caused by the spread of the infectious disease will occur from 2Q onward, the slump is also expected to continue until the end of the fiscal year and the full-year plan has been set accordingly

- Net sales: The impact of closures in 1Q is significant, and a decrease of -15% vs last year's results has been planned
- Operating loss: The loss of sales is significant, and an operating loss of about ¥5 billion has been planned

Net sales **¥158 billion** **-¥28.8 billion YoY (-15%)**

- Sales from 2Q onward are projected to decrease 7% vs the previous year
- Wacoal business (Japan) -¥14.1 billion, Wacoal business (overseas) -¥9.1 billion, Other -¥5.6 billion

Operating loss **- ¥5 billion** **-¥11.6 billion YoY**

- Against an expected decrease in sales profit of -¥18.4 billion due to decreased sales, we expected to achieve +¥6.8 billion by controlling SG&A costs
- 1Q results: -¥4.5 billion, 2Q onward: -¥500 million
- Assuming downside risk is materialized (P.19), the budget for adjustments has been set at ¥1.2 billion

Losses before income taxes and equity in net income of affiliated companies **-¥3.7 billion** **-¥8.1 billion YoY**

- The effects of valuation gains/losses of marketable securities and investments have not been reflected in the plan

Net loss for the current FY **-¥3.7 billion** **-¥7.2 billion YoY**

FY2021: Prerequisites for formulating the full-year plan

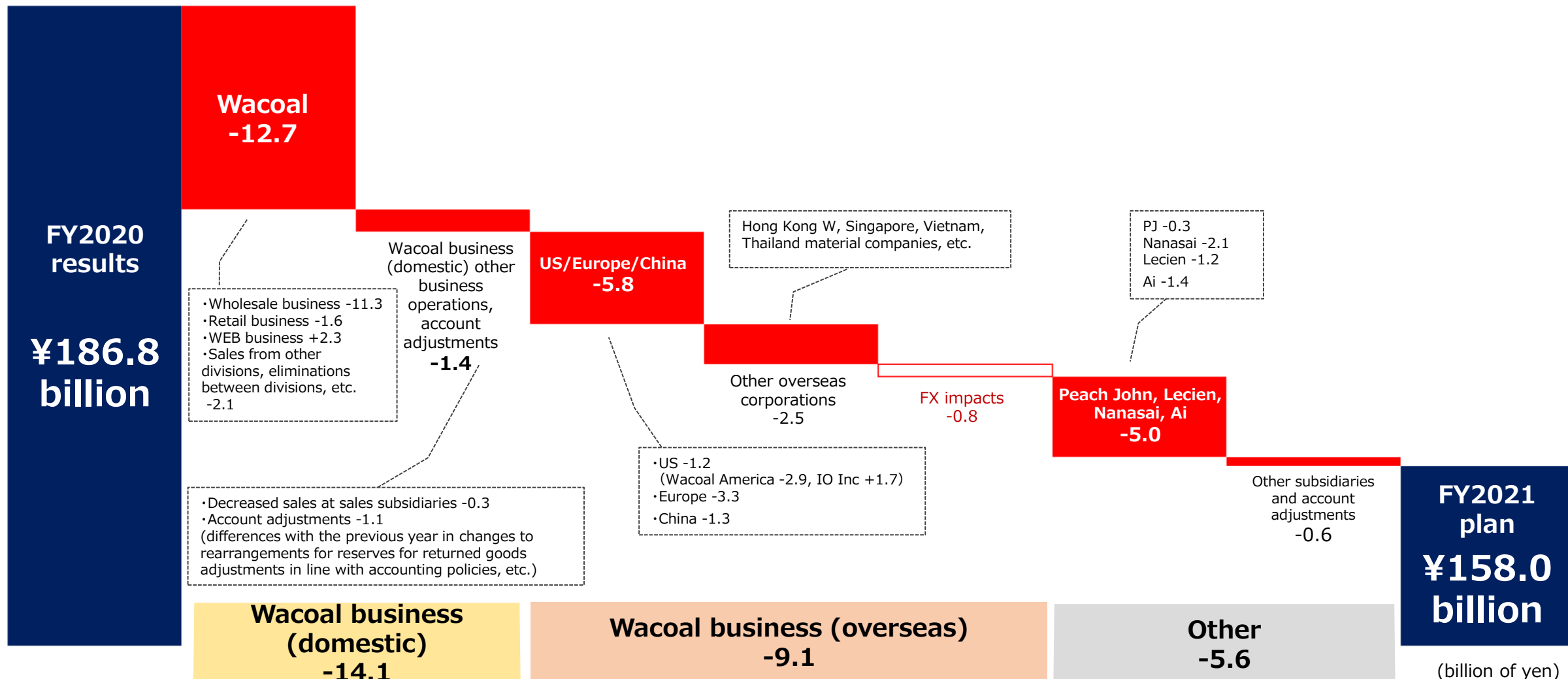
➤ **Though a gradual recovery from the slump in consumption will occur from 2Q onward, the slump is also expected to continue until the end of the fiscal year**

- Japan : Last fiscal year, the demand rush prior to the consumption tax increase and its repercussion greatly impacted the difference with the previous year
(Returning to the sales level in 4Q of the fiscal year before last (FY2019) has been set as one benchmark)
- Overseas: We expect a slump in physical store channels, primarily in Europe and the US

		FY2021 Quarterly increase/decrease in sales plan (YoY/Comparison with 2 years ago)					
		2Q target		3Q target		4Q target	
		Year on Year	Comparison with two years ago	Year on Year	Comparison with two years ago	Year on Year	Comparison with two years ago
Wacoal		-20%	-10%	+5%	-5%	+10%	±0
Overseas	America Wacoal	-15%	-15%	±0	+5%	±0	±0
	Wacoal Europe	-40%	-25%	-15%	-15%	+5%	-10%
	Wacoal China	-10%	-10%	+5%	±0	+5%	+10%

FY2021: Net Sales Plan for the Full Year (YoY Comparison)

- **Decreases sales of -15% YoY (-¥28.8 billion) are planned for**
 - Wacoal -¥12.7 billion, Europe/US/China -¥5.8 billion, four domestic subsidiaries -¥5 billion



FY2021: Operating Income (Loss) Plan for the Full Year (YoY Comparison)

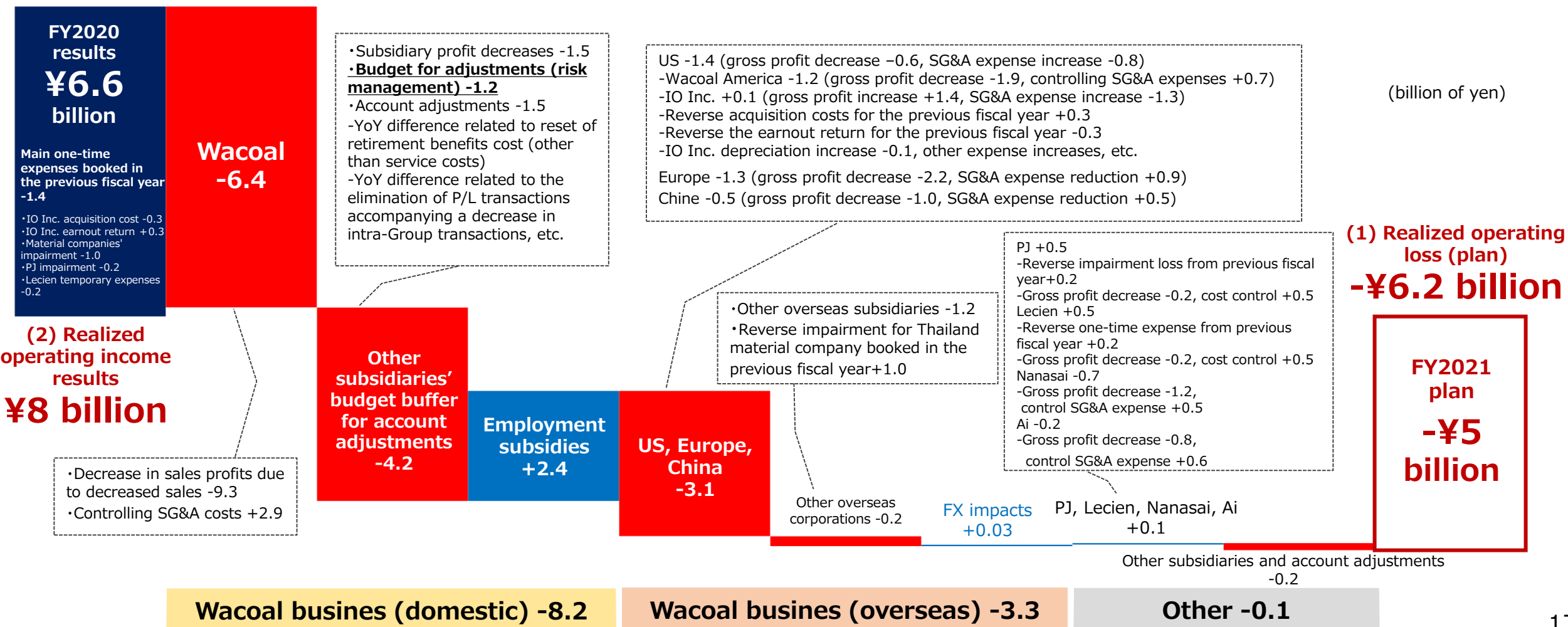
➤ Operating Income (Loss) Plan: An operating loss of -¥5 billion is expected (-¥11.6 billion YoY)

(1) FY2021: Excluding the budget for adjustments (¥1.2 billion) and employment subsidies (¥2.4 billion), a realized operating loss of **-¥6.2 billion**

(2) FY2020: After eliminating one-time expenses (¥1.4 billion), an operating profit of **¥8 billion** in real terms

***Difference in real terms [(1) - (2)]: ▲-¥14.2 billion**

(billion of yen)



FY2021: SG&A Plan for the Full Year

➤ The cost reduction plan in real terms which excludes temporary expenses is -¥4.2 billion

- 1Q cost reduction of -¥3.5 billion, from 2Q onward, IT and brand investment will be prioritized for future growth
- Continuous reduction of nonessential expenses (estimated additional reduction of ¥1-¥2 billion (not reflected in plan))

(billion of yen)

		Sales profit			SG&A expenses and general administrative expenses			(reference) Reduction of SG&A expenses and general administrative expenses in 1Q
		FY2020 1Q results, 3 months	FY2021 1Q results, 3 months	Year on Year	FY2020 1Q results, 3 months	FY2021 1Q results, 3 months	Year on Year	
Wacoal		56.5	47.2	-9.3	53.4	50.5	-2.9	-2.5
Major Overseas Subsidiaries	America	9.7	9.1	-0.6	9.3	10.1	0.8	0.7
	Europe	7.6	5.4	-2.2	6.3	5.4	-0.9	-0.6
	China	6.7	5.7	-1.0	5.7	5.2	-0.5	-0.3
Major Japan Subsidiaries	Peach John	7.1	6.9	-0.2	7.2	6.7	-0.5	-0.3
	Lecien	1.9	1.7	-0.2	2.2	1.7	-0.5	-0.2
	Nanasai	3.3	2.1	-1.2	3.1	2.6	-0.5	-0.2
Other (Including intersegment transactions, etc. eliminations)		9.0	5.3	-3.7	8.0	6.2	-18.0	-0.1
total		101.8	83.4	-18.4	95.2	88.4	-6.8	-3.5

Temporary expenses for the previous term	1.4
Temporary expenses for this term (planned) (Employment adjustment subsidy)	-2.4
Budget to adjust	1.2
SG&A expenses excluding temporary expenses	93.8
	89.6
	-4.2

The cost reduction plan in real terms
4.2 billion
 (1Q cost reduction of -¥3.5 billion)

FY2021: Upside and Downside Risk Related to Operating Income (Loss)

- **Considering the potential realization of downside risk, the budget for adjustments has been set at ¥1.2 billion**

Upside risk	<ul style="list-style-type: none"> ➤ Sales recovery and increased sales profit due to an early resolution of the infectious disease problem ➤ Further control of SG&A expenses ➤ Changes to earnout considerations 	
Downside risk	Shared	<ul style="list-style-type: none"> ➤ Decrease in sales profit due to decreased sales resulting from prolonged impacts of the infectious disease problem
	Japan	<ul style="list-style-type: none"> ➤ Possibility of impairment loss on tangible fixed assets of unprofitable stores ➤ Possibility of impairment loss on other tangible fixed assets (real estate, etc.)
	Overseas	<ul style="list-style-type: none"> ➤ Possibility of impairment loss on IO Inc. and Wacoal Europe's intangible fixed assets ➤ Changes to earnout considerations

Note: It is necessary to re-evaluate impairment losses based on business performance this fiscal year. Furthermore, even if it is apparent, it does not lead to a decrease in cash flow, so there will be no impact on capital investment and shareholder returns.

(Reference) FY2021: Full-year Plan Figures

【Full-year plan exchange rate】

USD	GBP	CNY
108.00yen	134.00 yen	15.30 yen

(Millions of yen)

	FY2020 results		FY2021 forecast		Year on Year		FY2021 1H forecast		FY2021 2H forecast	
		% Of sales		% Of sales	Change	% Change		% Of sales		% Of sales
Consolidated net sales	186,760	–	158,000	–	-28,760	- 15.4%	70,500	–	87,500	–
Cost of Sales	84,959	45.5	74,600	47.2	-10,359	- 12.2%	33,000	46.8	41,600	47.5
Sales profit	101,801	54.5	83,400	52.8	-18,401	- 18.1%	37,500	53.2	45,900	52.5
SG&A Expenses	94,696	50.7	88,400	55.9	-6,296	- 6.6%	40,700	57.7	47,700	54.5
Impairment charges on goodwill and other intangible assets	473	–			-473	–				
Operating Income (loss)	6,632	3.6	-5,000	–	-11,632	–	-3,200	–	-1,800	–
Other income (expenses)	1,487	–	1,300	–	-187	- 12.6%	700	–	600	–
Valuation gain (loss) on marketable securities and investments – net	-3,760	–			3,760	–				
Income before taxes (loss)	4,359	2.3	-3,700	–	-8,059	–	-2,500	–	-1,200	–
Net income attributable (loss) to Wacoal Holdings Corp.	3,472	1.9	-3,700	–	-7,172	–	-2,400	–	-1,300	–

(Reference) FY2021: Full-year Plan Figures by Segme

[Full-year plan exchange rate]

USD	GBP	CNY
108.00yen	134.00 yen	15.30 yen

(Millions of yen)

	FY2020 results		FY2021 forecast		Year on Year	
		ratio		ratio	Change	% Change
Wacoal Business (Japan)	106,112	56.8	92,000	58.2	-14,112	- 13.3%
Wacoal Business (Overseas)	50,552	27.1	41,500	26.3	-9,052	- 17.9%
Other Businesses	30,096	16.1	24,500	15.5	-5,596	- 18.6%
Net Sales	186,760	100	158,000	100	-28,760	- 15.4%

FY2021 1H target		FY2021 2H target	
	ratio		ratio
39,500	56.0	52,500	60.0
18,900	26.8	22,600	25.8
12,100	17.2	12,400	14.2
70,500	100	87,500	100

	FY2020 results		FY2021 forecast		Year on Year	
		% Of sales		% Of sales	Change	% Change
Wacoal Business (Japan)	6,121	5.8	-2,100	-	-8,221	-
Wacoal Business (Overseas)	1,493	3.0	-1,800	-	-3,293	-
Other Businesses	-982	-	-1,100	-	-118	-
Operating income (loss)	6,632	3.6	-5,000	-	-11,632	-

FY2021 1H target		FY2021 2H target	
	% Of sales		% Of sales
-1,500	-	-600	-
-1,200	-	-600	-
-500	-	-600	-
-3,200	-	-1,800	-

(Reference) FY2021: Full-year Plan Figures for Major Subsidiaries

[Full-year plan exchange rate]

USD	GBP	CNY
108.00yen	134.00 yen	15.30 yen

(Millions of yen)

		Net Sales						Operating income (loss)					
		FY2020 results	FY2021 forecast			Year on Year		FY2020 results	FY2021 forecast			Year on Year	
			1H	2H	Full year	Change	% Change		1H	2H	Full year	Change	% Change
Wacoal Business (Japan)	Wacoal	99,224	37,400	49,100	86,500	-12,724	- 12.8%	3,140	-3,000	-300	-3,300	-6,440	-
Wacoal Business (Overseas)	Wacoal International Corp. (U.S.)	19,194	8,388	9,468	17,856	-1,338	- 7.0%	401	-945	-27	-972	-1,373	-
	Wacoal Europe Ltd.	12,988	3,928	5,463	9,391	-3,597	- 27.7%	1,007	-384	123	-261	-1,268	-
	Wacoal China Co., Ltd.	11,081	4,272	5,250	9,522	-1,559	- 14.1%	923	359	85	444	-479	- 51.9%
Other Businesses	Peach John	10,480	5,300	4,840	10,140	-340	- 3.2%	-351	350	-200	150	501	-
	Lecien	5,760	2,130	2,440	4,570	-1,190	- 20.7%	-478	-40	30	-10	468	-
	Nanasai	8,717	3,162	3,408	6,570	-2,147	- 24.6%	218	-256	-237	-493	-711	-
	A i	3,597	1,156	1,084	2,240	-1,357	- 37.7%	-269	-291	-199	-490	-221	-

Major Overseas Subsidiaries (Local Currency Basis)

Wacoal International Corp. (U.S.)	176,508	77,688	87,668	165,336	-11,172	- 6.3%	3,694	-8,751	-249	-9,000	-12,694	-	(USD'000)
Wacoal Europe Ltd.	93,954	29,310	40,769	70,079	-23,875	- 25.4%	7,290	-2,862	922	-1,940	-9,230	-	(GBP'000)
Wacoal China Co., Ltd.	702,223	279,234	343,133	622,367	-79,856	- 11.4%	58,468	23,500	5,500	29,000	-29,468	- 50.4%	(CNY'000)

(Reference) FY2021: Outlook for Q2 Onward

【Full-year plan exchange rate】

USD	GBP	CNY
108.00yen	134.00 yen	15.30 yen

(Millions of yen)

	1Q			
	FY2020 results	FY2021 results	Year on Year	
			Change	% Change
Consolidated net sales	47,313	28,551	-18,762	- 39.7%
Sales profit	26,907	15,280	-11,627	- 43.2%
S, G&A Expenses	23,263	19,752	-3,511	- 15.1%
Impairment charges on goodwill and other intangible assets (A)				—
Operating Income (loss)	3,644	-4,472	-8,116	—
Reference figure : Operating income (loss) not taking into account A	3,644	-4,472	-8,116	—

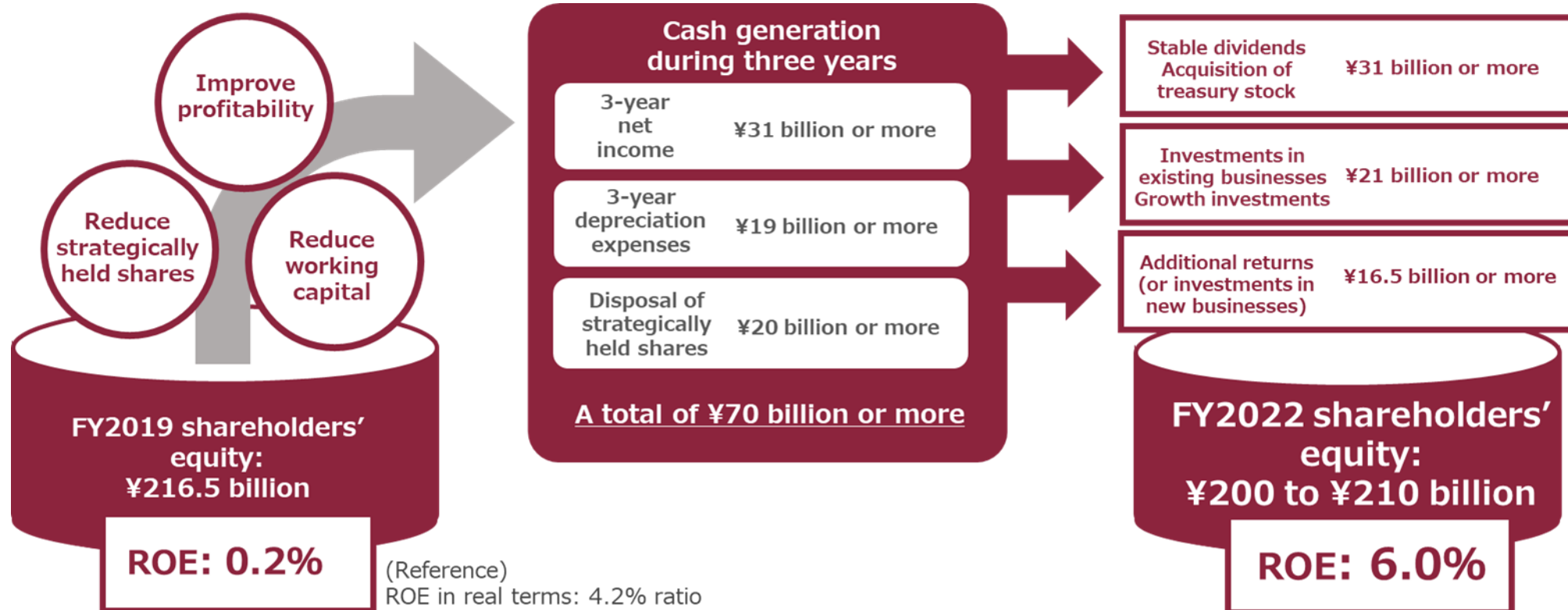
	2Q~4Q total			
	FY2020 results	FY2021 forecast	Year on Year	
			Change	% Change
Consolidated net sales	139,447	129,449	-9,998	- 7.2%
Sales profit	74,894	68,120	-6,774	- 9.0%
S, G&A Expenses	71,433	68,648	-2,785	- 3.9%
Impairment charges on goodwill and other intangible assets (A)	473		-473	—
Operating Income (loss)	2,988	-528	-3,516	—
Reference figure : Operating income (loss) not taking into account A	3,461	-528	-3,989	—

Basic Policy for Capital Policy in the Current Medium-Term Management Plan (disclosed June 13, 2019)

Note: In the event of significant fluctuations in business performance or financial demand due to the spread of infectious disease, we will consider reviewing the policy

While prioritizing investment for future growth, we will also strive to enhance shareholder returns

- Achieve ROE of 6% that exceeds the cost of capital
- Maintain a total return ratio of 100%
- Reduce cross-shareholdings (Target: 30% reduction)



FY2021: Dividend Plan and Repurchase of Treasury Stock

- **Annual dividend forecast: ¥40/share**
(¥20/share for both mid-year and year-end distributions)
 - Interim dividend forecast is ¥20/share, a decrease of ¥20 from the previous year
 - Year-end dividend forecast is ¥20/share, the same as the previous year
 - As the timing of a conclusion to the infectious disease problem cannot be predicted, priority will be given to securing liquidity on hand
- **Regarding the repurchase of treasury stock, determinations will be made after assessing business conditions going forward**

	Dividend per share			Total amount of dividends (Millions of yen)	Payout ratio*
	Interim	Year-End	Annual		
FY3/2020	40円	20円	60円	3,808	58.6%
FY3/2021 (revised)	20円	20円	40円	—	—
Change from the previous year	▲20円	±0	▲20円		

*Payout ratio was calculated from net income in real terms without considering the impairment charges on intangible assets and valuation gain (loss) on marketable securities and investments.

FY2021: Investment Plan

- **Investments (acquisition of intangible/tangible fixed assets) of approximately ¥5 billion are planned**
- **Concerning, non-urgent new investments, we will reconsider the timing of implementation**
- **We will carry out investments aimed at future growth, such as costs of introducing 3D body scanners into stores, IT-related costs related to omni-channel strategic construction, and expanding logistics companies due to the strengthening of our own EC business**

FY2021 investment plan	amount
IT-related investment ,etc (wacoal)	1.4
Interior finish work for directly retail stores, etc (wacoal)	0.3
Building renovation, etc (wacoal)	1.3
Domestic Subsidiaries	0.4
Overseas Subsidiaries	1.6
total	5.0

Note: In order to secure liquidity on hand at Group companies, at the end of July we borrowed ¥40 billion from financial institutions (Japan only)

FY2021 1Q: Capital Policy and Shareholder Returns

Concerning cross-shareholdings, only one issue was sold in FY2021 1Q

Note: Calculated at the book value as of March 31, 2019

(Billions of yen)

(Billions of yen)

		FY2021 1Q results, 3 months	Medium-Term Management Plan Period (FY2020-FY2022) total	Medium-Term Management Plan Period (FY2020-FY2022) plan
Cash generation	Net income attributable to Wacoal Holdings Corp.★	-3.8	2.7	31.0 or more
	depreciation costs	1.5	7.5	19.0 or more
	Sales of strategically-held shares	0.0	15.3	20.0 or more
	合計	-2.3	25.5	70.0 or more

★Net income was calculated without consideration for valuation gain (loss) on marketable securities and investments.

		FY2021 1Q results, 3 months	Medium-Term Management Plan Period (FY2020-FY2022) total	Medium-Term Management Plan Period (FY2020-FY2022) plan
Used Cash	Growth investment, Capital expenditures	1.5	17.7	68.5 or more ·Dividend/Reasury stock: ¥31billion or more ·Investmen in existing business t/Growth investment: ¥21billion or more ·Additional returns or investment in new business: ¥16.5billion or more
	Dividend payment	1.2	6.2	
	Purchase of treasury stock (Number of shares acquired)	0	7.7	
		0	(2,797 thousand shares)	
	total	2.7	31.6	

Major investments and investment amount in the FY2021 1Q	
detail	amount
IT-related investment ,etc (wacoal)	0.7
Interior finish work for directly	0.1
Building renovation, etc (wacoal)	0.1
Domestic Subsidiaries	0.1
Overseas Subsidiaries	0.5
total	1.5

■ Major KPI

		FY2021 1Q results, 3 months	Medium-Term Management Plan Period (FY2020-FY2022) total	Medium-Term Management Plan Period (FY2020-FY2022) plan
Status of sales of strategically-held shares (Wacoal Corp.)	Sale amount	0	13.6	20.0
	Progress toward target	0%	68%	
	Number of strategic stocks sold completely	1	13	

Wacoal Group initiatives focused on the “with” and “after” novel coronavirus periods

Hironobu Yasuhara

Representative Director, President, and
Corporate Officer
Wacoal Holdings Corp.

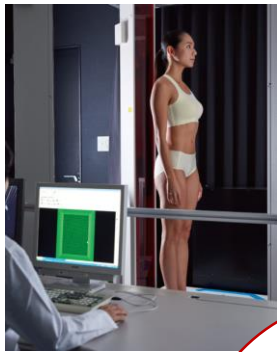
We expect the fight against COVID-19 to be a long-term battle

- We expect it to take about one and a half to three years for normalcy to return
- As conditions differ greatly from region to region, there are no clear scenarios for convergence. It will take more time before a reasonable judgment can be made regarding the extent COVID-19 will affect the market environment and business performance over the medium- to long-term.
- Customers' awareness and values are changing, however, the future following such change is still unclear.
- Based on the premise of considering the "with" and "after" coronavirus business environment, "there will be no return to how things once were"
- **It is necessary to make major changes, not only in terms of the products in demand, how they are sold, and touch points with customers, but also in terms of Wacoal's corporate structure**

In Order to Win in the "With" and "After" Coronavirus Age

What is being called into question is the "Power of Self-reformation" The impact of COVID-19 will change what Wacoal itself perceives as assets and values

- Challenge 1: Evolve our unique "organization capacity" that has been cultivated over a long period of time, and improve productivity
- Challenge 2: Deal with unprofitable businesses and establish new growth businesses to improve corporate value over the medium to long term



Research capability



Production and quality-control capabilities

Unique "organizational capacity"



Planning and development capability



Sales capability

Live commerce

Smart factory

Remote work

Customer data utilization

Digitalization of logistics
warehouse tasks

Cross-industry collaboration

DX Digital transformation

Implementing self-reformation with customers as the starting point

Evolve our unique "organization Capacity"

Fusing and blending offline and online

3D body scanner—

Consulting via chat

Remote customer service

AI customer service

Labor saving through RFID utilization

Face reality, ascertain future demand, and then boldly implement reform

[Basic policy]

Give top priority to the “health and safety” of customers, employees, and business partners.

(*We recognize that the balance between maintaining such services as trial fitting and consideration of health and safety is especially important.)

[Short-term policy]

Thoroughly reduce costs and ensure the stability of the Company's financial base with the deteriorating business conditions in mind

1. Carry out a bold review of the measures and expenditure plans that have been implemented so far across all business domains
2. Strengthen liquidity on hand in preparation for the prolongation of the infectious disease
3. Adjust production for avoiding excess inventory caused by a decline in sales

[Medium- to long-term policies]

Thoroughly inspect the value chain and implement reforms: A turning point toward a highly profitable management structure

1. Review the current cost structure (Promote initiatives to reduce fixed costs)
2. Accelerate our digital transformation efforts both in Japan and overseas
3. Review and reorganize touch points with customers (to respond to the changes in major channels)
4. Develop products and services that customers expect in new lifestyles, and strengthen our ability to respond to new customer needs and sales styles

Current Medium-term Management Plan (MTMP): Initiative Going Forward

With an eye on the next three-year plan, decisively implement “profit structure reform” during the current MTMP period

- FY 2021: (1) Ascertain future demand, and determine what to “change” and what to “discontinue”
(2) Start reforms once the direction becomes clear
- FY 2022: Complete structural reforms with a focus on the next three years (formulate measures for new medium-term plan)
⇒ **Complete constitutional changes and structural reform, and aim to return to sustainable growth from FY2023**

Process going forward

**Current MTMP: 2nd fiscal year
(FY2021)**

Decisively implement profit structure reform
(build a foundation for the next MTMP)

Ascertain future demand, and determine what to “change” and what to “discontinue”

- Implement reform without hesitation once direction is clear
- Ascertain changes in consumers and markets
- Start organizational reform focusing on changes at hand

**Current MTMP: final fiscal year
(FY2022)**

Complete structural reform aimed at realizing a highly profitable management structure

- Deal with unprofitable businesses (abolish, consolidate, etc.)
- Continue strategic investment
- Formulate next three-year plan

**New MTM
(FY2023 – FY2025)**

Start as the “reborn Wacoal”

Start the new three-year plan with a “lean” corporate structure

- Further increase productivity
- Accumulate non-financial assets (strengthen human and intellectual assets)
- Investment for discontinuous growth

Establish highly profitable management structure

Details of Initiatives in Each Segment (FY2021 – FY2022)

With an eye on the next three-year plan, decisively implement “profit structure reform” during the current MTMP period

	FY2021		Initiatives for FY2022
	Already underway	To be implemented this FY	
Wacoal business (Japan)	Details of Wacoal Corp’s efforts are explained separately starting on slide 34		
	<p>【Overall】…Review spending plan</p> <p>【Directly operated sewing factories in Japan】 …Adjust production for fall/winter products …Discuss future role for factories in Japan</p>	<p>【Overall】…Review spending plan</p> <p>【Sales companies】 …Consider role within the Group and ideal form</p>	<p>【Logistics companies】 …Prepare initiatives for deliveries to individuals</p> <p>【Sales companies】…Reorganize as needed</p>
		<p>【Directly operated sewing factories in Japan】…strengthen competitiveness (reorganize as needed)</p>	
Wacoal business (Overseas)	<p>【Overall】…Review spending plan</p> <p>【Europe, US, China】 …Continue to strengthen EC business …Integrate IO Inc.’s logistics operations</p> <p>【China】…Continue to collaborate with Japan on products</p>	<p>【Asia, excluding China】 …Discuss and ascertain regional strategy (Hong Kong, etc.) …Start developing EC business</p> <p>【Overseas production factories】 …(for Japan) expand ASEAN production ratio</p>	<p>【US】…Maintain IO Inc.’s high growth</p> <p>【Europe】…Strengthen development in Europe</p> <p>【Asia, excluding China】…Reorganize as needed</p> <p>【Material companies (Thailand)】 …Strengthen competitiveness, start supplying to Group</p>
Other	<p>【Overall】…Review spending plan</p> <p>【Peach John, Lecien】 …Verify results of reforms implemented up to the previous FY …(PJ) Strengthen offline/online cooperation</p>	<p>【Unprofitable subsidiaries】 …Ascertain future demand from an overall optimization perspective …Consider role within the Group and ideal form</p> <p>【Overseas businesses/production factories】 …Ascertain future demand and regional strategies</p>	<p>【Unprofitable subsidiaries】 …Withdraw, cut loose, reorganize</p> <p>【Overseas businesses/production factories】 …Reorganize as needed …Strengthen competitiveness and coordination within the Group</p>

Wacoal Corp. initiatives focused on the “with” and “after” novel coronavirus periods

Tomoyasu Ito

Director, Vice President Corporate Officer

Wacoal Holdings Corp.

Representative Director, President and Corporate Officer

Wacoal Corp.

Awareness of Changes in the Market Environment Due to the Pandemic

Impact of spreading infectious disease

The traditional business model has stalled, touchpoint replacements accelerated

- As the number of opportunities for going out decreases, each person's "sense of values" is rapidly changing
 - In line with lifestyle and workstyle changes, consumption behavior and "Places people gather" are changing
 - Online positioning becomes more important
- ⇒It is necessary to speed up actions aimed at establishing a competitive advantage for the medium to long term**

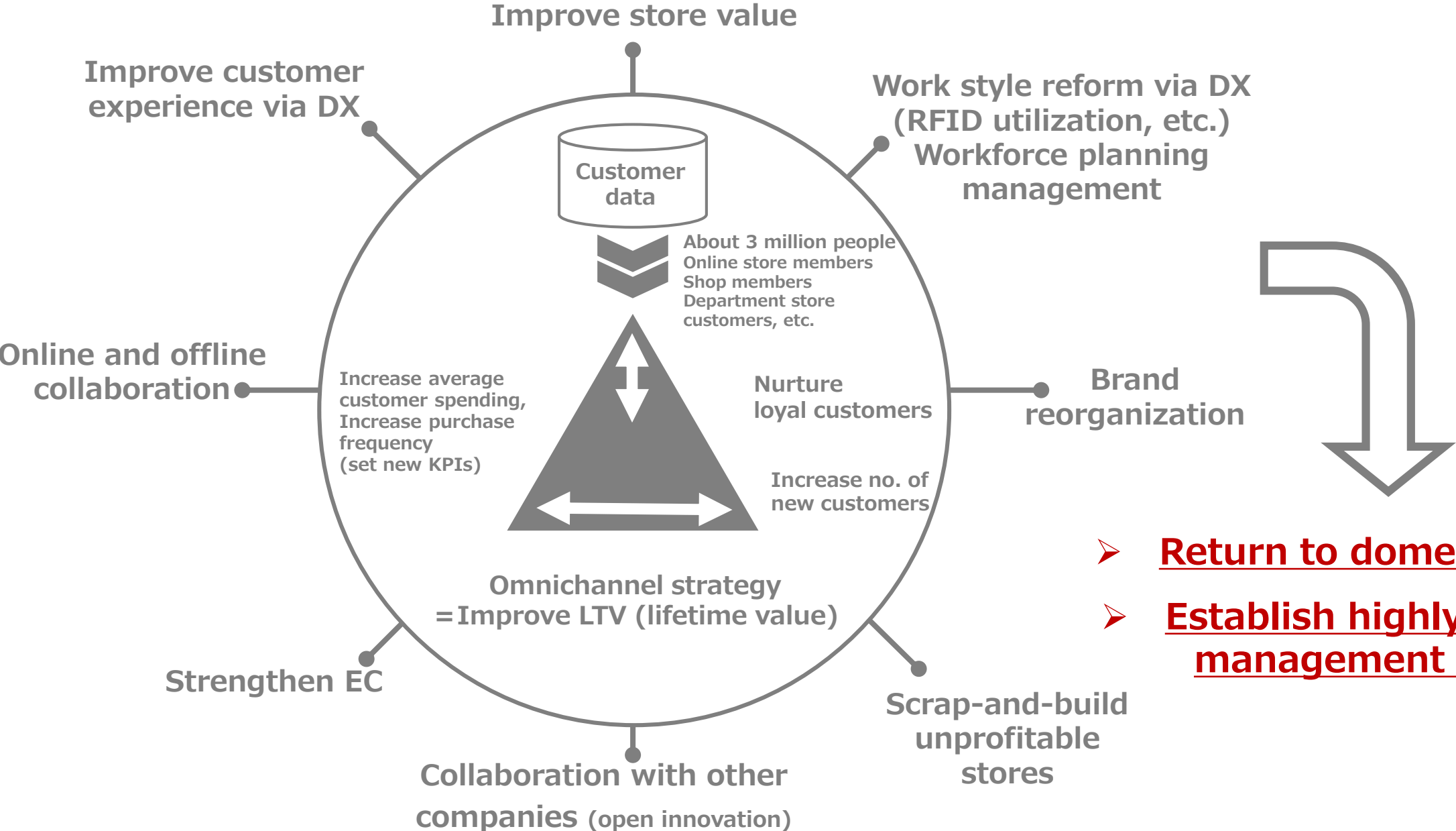
What should be implemented in an accelerated manner during the current MTMP

Prepare a foundation for a return to growth over the next three years

Using the pandemic as an opportunity, accelerate business structural reform

- Ascertain future demand with an eye on the "with" and "after" coronavirus periods
- In line with channel reform, transition to a "self-managed business (directly managed stores, own EC)
- Fuse and blend store and EC operations (improve customer experience)
- Develop and evolve a unique business model via efficient use of customer data
- Accelerate initiatives aimed at improving profitability (decrease the fixed cost ratio which remains high)

Accelerate a Transformation of the Business Model Based on "Customer Data Utilization"



- Return to domestic growth
- Establish highly profitable management structure

Strengthen Online Collaboration and Transition to a Self-managed Business

Rapidly changing market environment due to COVID-19

Fusing and blending off/online operations becomes even more important

- **Transition to a “self-managed business based on customer data utilization”**
(Note: self-managed business: a business model wherein we manage and administer stores, inventory, and customer data ourselves)
- **Further strengthen EC collaboration and realize an improved customer experience**
~Improve LTV (lifetime value)~

Image of Business Model for FY2025

Have online operations account for 25% of net sales, and have directly managed stores account for 40% of the offline portion

- Raise the portion of the business we directly manage ourselves (directly-managed stores, own EC) to about 50%
- Maintain/strengthen relationships with customers by considering and opening tenant positions in the department store channel
- More thorough management of store profit and loss (implement optimal staffing)

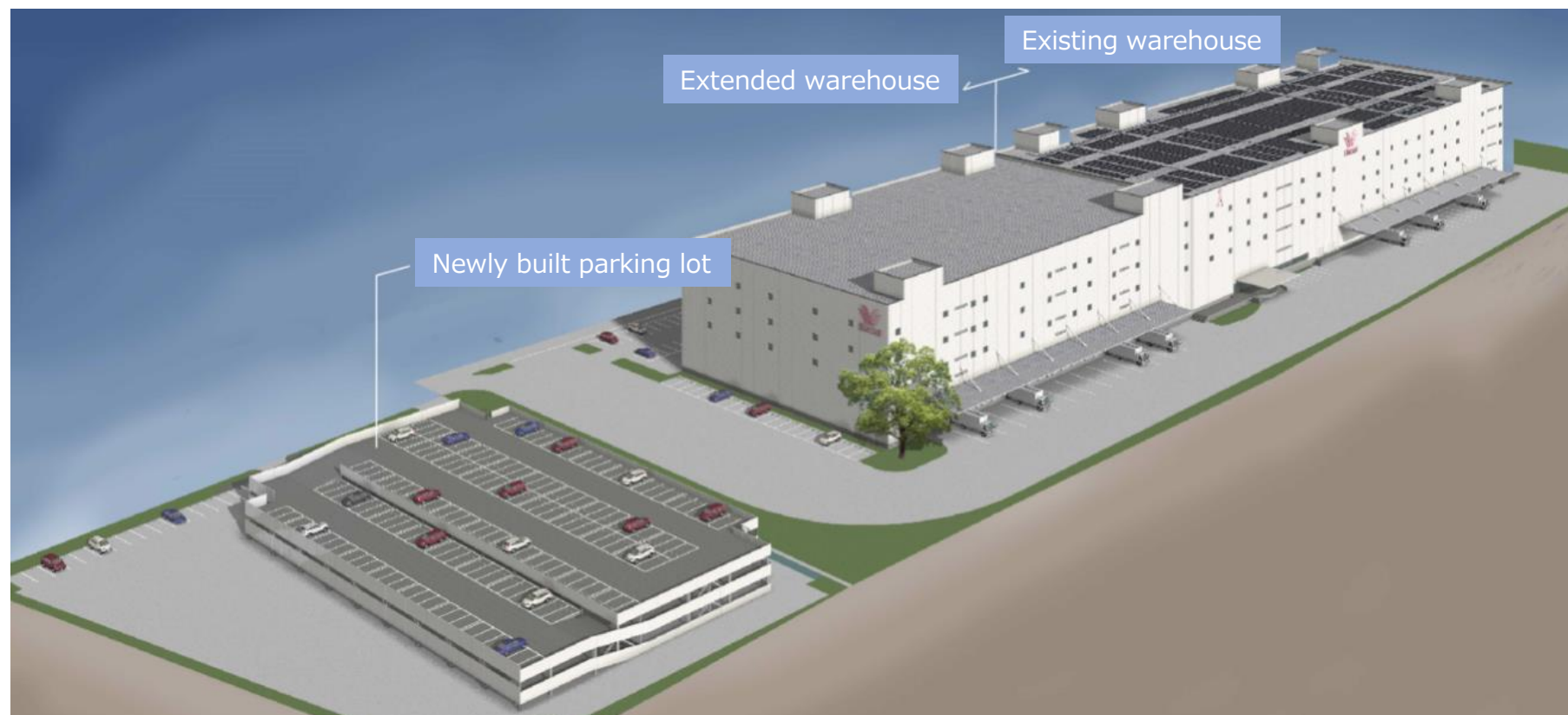
	Ratio			Business model	channel	Ratio	
	FY2020	FY2025				FY2020	FY2025
Online	about 15%	about 25%	Offline	Self-managed business	Directly managed store (Including tenant store openings in department stores)	about 20%	about 40%
Offline	about 85%	about 75%		Wholesale business	Department Stores	GMS Supermarket Specialty Stores	about 80%

Note: Calculated excluding the Spiral business, Remamma business, sales to the Wacoal Group, etc. 38

Topics: Logistics Reform

Unify logistics and warehouse operations to strengthen our own EC business growth and improve the efficiency of shipping operations

- Expand the Moriyama distribution center, aiming to start operations in the fall of 2022
- Insource the currently outsourced operations that deliver product to individuals
- Build a system that not only realizes efficient logistics operations, but also flexibly responds to changes in the retail environment going forward
- Total investment of ¥4.7 billion (FY2020 about ¥1 billion, FY2021 about ¥3.3 billion, FY2022 about ¥400 million)



Customer Data Utilization

Rapidly changing market environment due to COVID-19

Fusing and blending off/online operations becomes even more important

➤ **Transition to a “self-managed business based on customer data utilization”**

(Note: self-managed business: a business model wherein we manage and administer stores, inventory, and customer data ourselves)

➤ **Further strengthen EC collaboration and realize an improved customer experience**

~Improve LTV (lifetime value)~

Customer Data Utilization

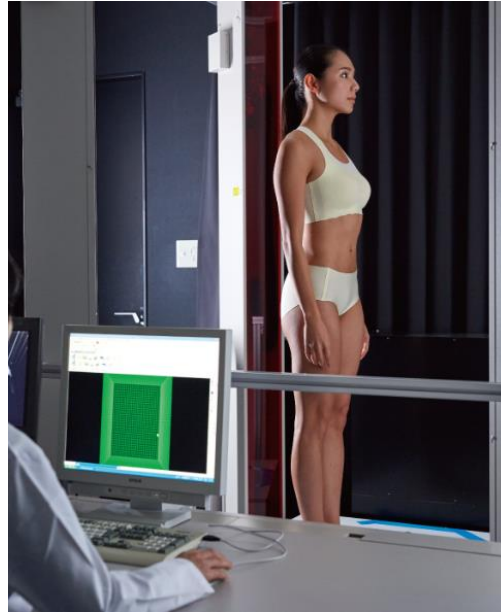
Customer Data Held by Wacoal

Leverage our customer data ~transform all activities, using customer data as the starting point~



Purchase Data

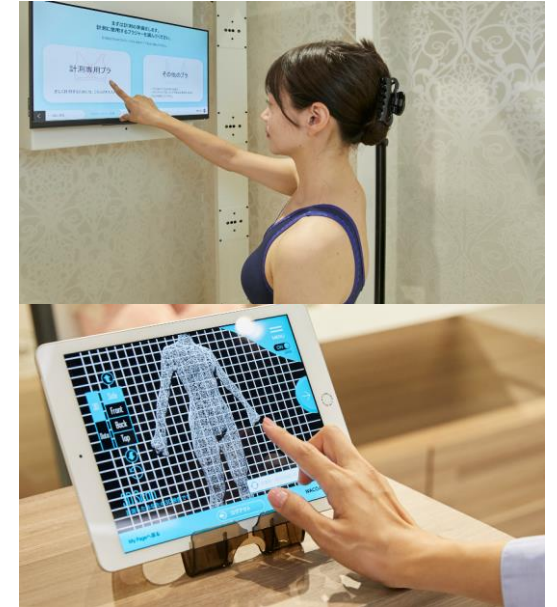
**Store members/Own EC members
Dept. Store customer data, etc.
About 3 million people**



**Body
measurement
data**

**Accumulated measurement data for
about 45,000 people**

**People who have continually had their
measurements taken (every 5 years): about 1,000
people**



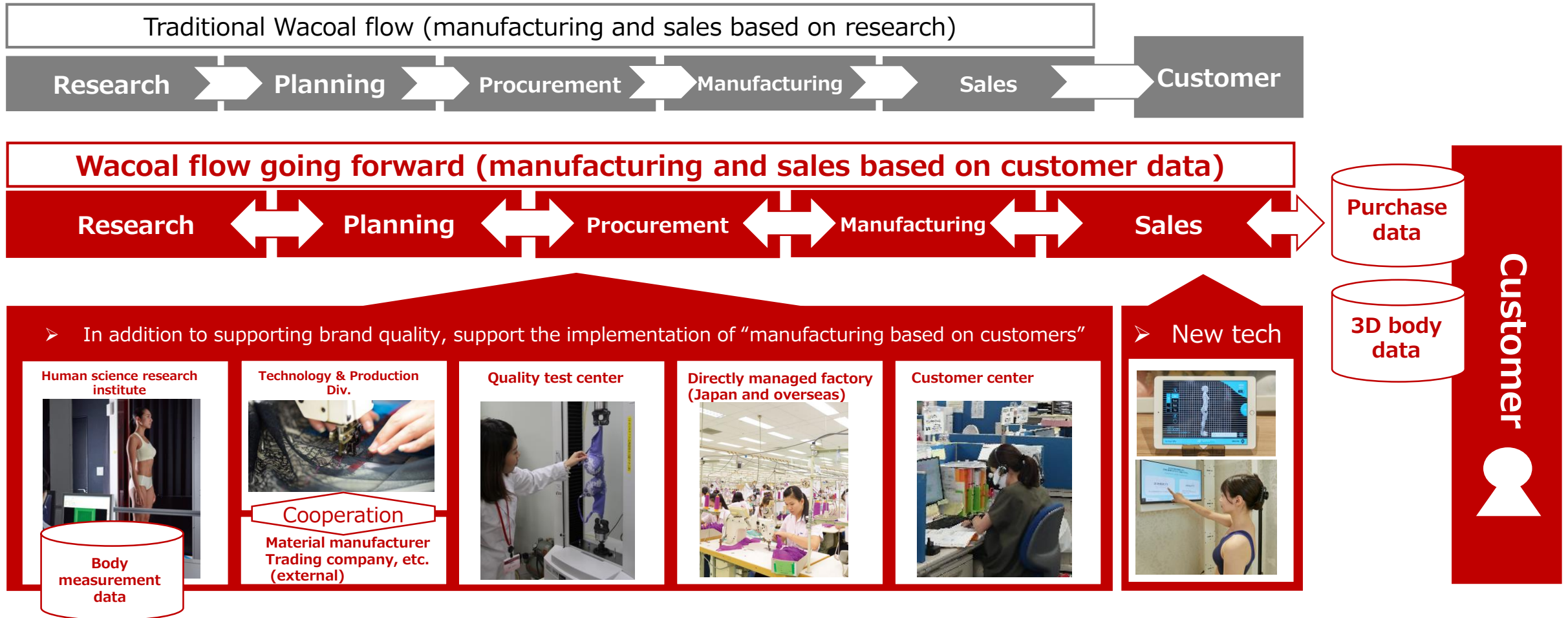
**3D body
measurement
data**

For about 20,000 people

Develop a Vertically Integrated Business Model

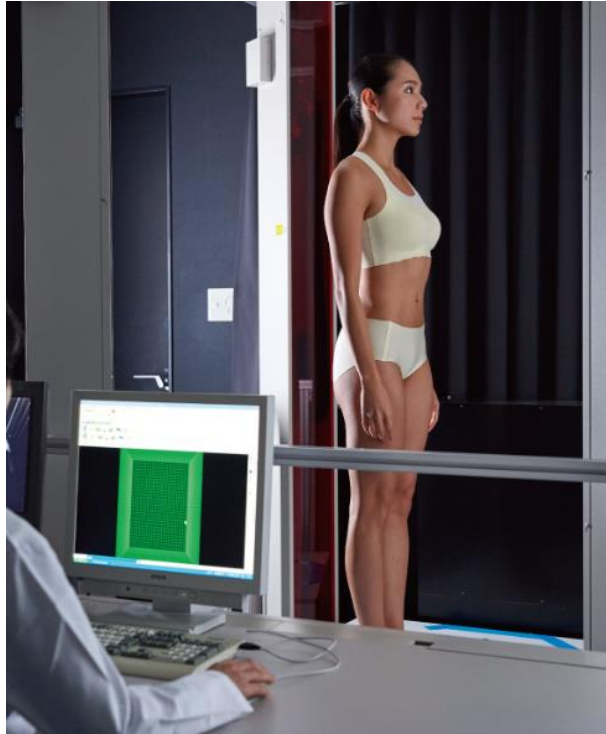
Customer data × sales × manufacturing ~Develop a unique vertical business model~

- Along with implementing relationship marketing utilizing the customer data of about 3 million people, develop a value chain that integrates Wacoal's strengths, from manufacturing to sales.



Open Innovation with Other Companies/Industries

Utilize big data and new technologies in open innovation ~create new business opportunities~



Wacoal's human and intellectual assets

Accumulated measurement data for about 45,000 people

People who have continually had their measurements taken (every 5 years): about 1,000 people

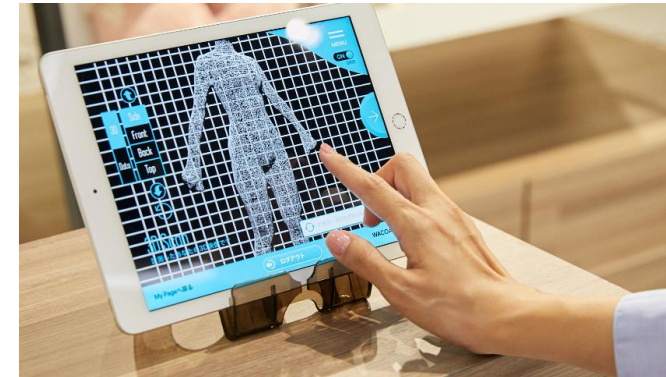
Precise measuring technology

For about 20,000 people

Body measurement data

3D body measurement data

Open Innovation



New business creation

Ex. Match Palette at the Isetan Shinjuku Store (released July 2020)

Initiatives Aimed at Realizing a Highly Profitable Management Structure

Improve management efficiency by thoroughly inspecting the value chain

(1) Review low-profit businesses

- Dept. store business: review the sales floor environment and terms and conditions, and optimize the number of sales staff
- Other low-profit businesses: ascertain future demand, and decide “businesses that should be terminated” and execute accordingly

(2) Reorganize the brand and optimize inventory in line with touchpoint changes

- Reduce the number of brands/groups (start from autumn and winter of 2021. Decided to reduce about 30%)
- Examine the role and positioning of products other than innerwear, and implement further consolidation

(3) Reduce fixed costs by optimizing personnel deployment

- The total personnel expense ratio to sales exceeds 30% due to the decline in the top line (including labor cost for manufacturing personnel)
- Implement planning management for personnel (optimize personnel allocation by taking stock of operations and adjust hiring accordingly)
⇒ Aim to bring the total personnel cost ratio **down to below 25% (plan)** over the span of the next three-year plan (FY2023-2025)



While strengthening profitability, build an organizational structure that can respond to changes in the business environment (spring 2021)

Details of Wacoal Corp. Initiatives (FY2021 – FY2022)

	FY2021		Initiatives for FY2022
	Already underway	To be implemented this FY	
Overall management	<p>【Coronavirus measures】 …Analyze/share the impact of COVID-19 …Reduce costs, secure liquidity at hand …Adjust production to avoid overstocking</p>	<p>【Organizational structure】 …Reorganize to facilitate response to environmental changes 【Medium- to long-term strategy】 …Strategic discussion eyeing the next three years</p>	<p>【Organizational structure】 …Verify new organizational structure, bring on track 【Medium- to long-term strategy】 …Create next three-year plan, set KPIs</p>
Growth strategy (omnichannel strategy)	<p>【Omnichannel strategy】 …Verify effectiveness at stores with installed 3D system …Continue customer database integration and analysis</p> <p>【On/offline cooperation】 …Link marketing between directly managed stores and own EC</p>	<p>【 On/offline cooperation】 …Mutually send customers between directly managed stores and EC …Raise the EC ratio of the retail business to over 15% …Review the sales staff evaluation system …Build collaboration between own EC and wholesale customers</p>	<p>【On/offline cooperation】 …Mutually send customers between physical stores and EC …Strengthen own EC business</p> <p>【3D body scanner】 …Create efficient operations and accelerate installation</p>
Business structure reform (value chain inspection)	<p>【Department store measures】 …Department store project launched …Examine store staff and P&L management method</p> <p>【Brand positioning and inventory optimization】 …Determine brands/groups to consolidate</p> <p>【Personnel planning management】 …Take stock of operations and discuss appropriate personnel allocation …Control hiring, primarily sales staff</p>	<p>【Department store measures】 …Review the sales floor environment and terms and conditions</p> <p>【Brand positioning and inventory optimization】 …Ascertain touchpoint changes …Reclassify product weighting in response to changes</p> <p>【Personnel planning management】 …Appropriately allocate personnel in anticipation of new organization …Develop new roles, control hiring</p>	<p>【Department store measures】 …review the sales floor environment and terms and conditions</p> <p>【Brand positioning and inventory optimization】 …Develop new brand strategy …Optimize entire inventory</p> <p>【Unprofitable businesses】 …Withdraw as needed</p> <p>【Personnel planning management】 …Switch to new roles, control hiring</p>
ESG	<p>【 Coronavirus measures】 …Develop/maintain remote work environment …Support “health and safety” of customers/employees</p>	<p>【Environment】 …Led by the supply chain environment project, reduce waste and develop environmentally friendly materials</p>	<p>【HR】 …Revise work styles and the evaluation system based on remote work, and consider introducing a system to improve job satisfaction</p>

Reference

FY2021 1Q: Results for Major Subsidiaries

[Exchange rate]

USD	GBP	CNY
107.62yen	133.52yen	15.60 yen

(Millions of yen)

		Net Sales				Operating income (loss)			
		FY2020 1Q results, 3 months	FY2021 1Q results, 3 months	Year on Year		FY2020 1Q results, 3 months	FY2021 1Q results, 3 months	Year on Year	
				Change	% Change			Change	% Change
Wacoal Business (Japan)	Wacoal	25,465	13,603	-11,862	- 46.6%	1,322	-2,543	-3,865	-
Wacoal Business (Overseas)	Wacoal International Corp. (U.S.)	5,039	3,404	-1,635	- 32.4%	868	-837	-1,705	-
	Wacoal Europe Ltd.	3,517	1,668	-1,849	- 52.6%	338	-224	-562	-
	Wacoal China Co., Ltd.	3,112	1,733	-1,379	- 44.3%	429	117	-312	- 72.7%
Other Businesses	Peach John	2,587	2,538	-49	- 1.9%	-42	241	283	-
	Lecien	1,329	996	-333	- 25.1%	-104	-103	1	-
	Nanasai	1,973	1,235	-738	- 37.4%	10	-181	-191	-
	A i	818	252	-566	- 69.2%	-67	-189	-122	-

Major Overseas Subsidiaries (Local Currency Basis)

Wacoal International Corp. (U.S.)	45,855	31,629	-14,226	- 31.0%	7,894	-7,778	-15,672	-	(USD'000)
Wacoal Europe Ltd.	24,914	12,495	-12,419	- 49.8%	2,827	-1,215	-4,042	-	(GBP'000)
Wacoal China Co., Ltd.	190,567	111,096	-79,471	- 41.7%	26,341	7,449	-18,892	- 71.7%	(CNY'000)

FY2021 1Q: Overview of Wacoal (1): Net Sales and Operating Income for Major Business Units

Seizing upon significant changes in consumer behavior and mindset, our EC business experienced high growth. However, due to store closures, the wholesale and retail businesses slumped.

Net sales

¥13.6 billion -¥11.9 billion year over year (YoY), (-47%)

- Of the -¥11.9 billion decrease in sales, -¥9.9 billion was due to the decrease in the wholesale business resulting from department store and mass retailer closures
- Meanwhile, our EC business grew +91% YoY (+¥1.1 billion)

Operating loss

▲-¥2.5 billion -¥3.9 billion YoY

- Due to the decrease in net sales, the sales profit amount decreased by -¥6.5 billion YoY
- Though cost-cutting efforts were undertaken (-¥2.5 billion), the impact of lower sales was significant, and an operating loss was booked

(Millions of yen)

	FY2020 1Q results, 3 months	FY2021 1Q results, 3 months	Year on Year	
			Change	% Change
Wholesale Business Div.	20,494	10,562	-9,932	- 48.5%
Retail and WEB Business Department	6,326	5,524	-802	- 12.7%
Others	-1,355	-2,483	-1,128	—
Net sales total (Including internal sales)	25,817	13,848	-11,969	- 46.4%
Net sales total (External customers only)	25,465	13,603	-11,862	- 46.6%
Wholesale Business Div.	4,159	-526	-4,685	—
Retail and WEB Business Department	679	237	-442	- 65.1%
Others(Intersegment transactions,etc.)	-3,516	-2,254	1,262	—
Wacoal Operating income (loss)	1,321	-2,543	-3,864	—

FY2021 1Q: Overview of Wacoal (2) Status of Wholesale Business

- Due to store closures, sales of mainstay Wacoal and Wing innerwear decreased by -¥8 billion
- Despite a trend toward recovery in June, wholesale business sales slumped due to client inventory control

Sales of each business in Wholesale Business Division of Wacoal Corp.

(Millions of yen)

		FY2020				FY2021	FY2021 1Q	Change
		1Q	2Q	3Q	4Q	1Q	results, 3 months	
Innerwear Business	Wacoal	-4%	+11%	-15%	-18%	-57%	4,676	-6,120
	Wing	+11%	+8%	-3%	-7%	-44%	2,551	-1,965
Personal Business	Wacoal	-10%	+6%	-18%	-25%	-33%	927	-463
	Wing	-38%	-10%	-26%	+18%	-6%	123	-7
Family wear Business	Wacoal	-17%	-6%	-26%	+21%	-48%	411	-381
Good Age Business	Wacoal	-2%	-8%	-10%	-56%	-41%	255	-
Hosiery Business	Wacoal	-3%	-2%	-27%	-23%	-62%	98	-
Men's inner Business	Wacoal	-9%	+2%	-13%	-10%	-33%	312	-
Above 3 businesses total		-	-	-	-	-	665	-493
Wellness Business	CW-X, Wacoal	-8%	+3%	-25%	-27%	-63%	401	-685
Others		-	-	-	-	-	808	182
Wholesale Business Div. total		-2%	+8%	-13%	-15%	-48%	10,562	-9,932

FY2021 1Q: Overview of Wacoal (3) Status (increase/decrease) of store-based sales

- **Status of store-based sales for June: Temporary recovery to the level for the same month last year (department stores 89%, mass retailers over 100%)**
- **Though suburban mass retailers performed well, department stores in urban centers continued to struggle to attract customers**

Quarterly change in sales at stores by sales channel of Wacoal Corp.

		FY2020				FY2021
		1Q	2Q	3Q	4Q	1Q
Wholesale	Department store	-6%	+8%	-14%	-23%	-57%
	GMS,Supermarket (Wacoal Brand)	-4%	+15%	-18%	-16%	-36%
	GMS,Supermarket (Wing Brand)	+4%	+19%	-5%	-11%	-32%
	Specialty Stores	+4%	+6%	-6%	-11%	-45%
	Sports Chains	-11%	+11%	-22%	-28%	-56%
	Third Party EC Sites	-7%	+5%	-8%	-3%	+13%
Retail	Directly Managed Stores	+6%	+6%	+0%	-2%	-44%
	Wacoal's Own EC Site	+18%	+24%	+11%	+17%	+91%
	Catalog mail-order	+10%	+6%	-13%	-13%	-3%

FY2021 1Q: Overview of Wacoal International Corp. (US)

The brand LIVELY being unrolled by IO Inc. has maintained high growth due to the success of active advertising investment

Net sales **¥3.4 billion** -¥1.6 billion year over year (YoY), (-32%) (Note: YoY change in local currency -31%)

- Wacoal America: Physical store channel -83%, EC channel +13% (Breakdown: Dept. Store EC -32%, Specialty store EC +6%, own EC +62%)
- IO Inc: +¥900 million, result of new consolidation. (Reference: +74% YoY sales increase (Note: Not subject to consolidation in same period last year))

Operating loss **-¥800 million** -¥1.7 billion YoY (Note: YoY change in local currency base -\$16 million)

- Wacoal America: -\$3.5 million local currency base, IO Inc: -\$4.3 million local currency base
- Aiming for early growth of the LIVELY brand, IO Inc. is making strategic growth investments

◆ Quarterly change in sales in major channels and regions (in local currency)

		FY2020				FY2021		
		1Q	2Q	3Q	4Q	1Q	ratio	
Channel	Store	Department store	-12%	-9%	-4%	-6%	-83%	21%
		Outlet·Directly Managed Store	-23%	-30%	-11%	-22%	-98%	
		Store sales total	-12%	-10%	-4%	-6%	-83%	
	EC	Department store EC site	-2%	+19%	+62%	+9%	-32%	79%
		Third Party EC site	-2%	+5%	+25%	+19%	+6%	
		Wacoal's Own EC Site	+17%	+33%	+24%	+35%	+62%	
		EC sales total	+4%	+19%	+36%	+22%	+13%	
Area	America	-7%	-2%	+7%	+3%	-47%	98%	
	Canada	+2%	-5%	+2%	+0%	-85%	1%	
	Other area	+1%	-16%	+6%	-47%	-91%	1%	

Performance of major subsidiaries (USD'000)

	Wacoal America, Inc.	IO
Net sales	23,753	8,163
(Year on Year)	-50%	-
Operating profit and loss	-3,477	-4,344
(Year on Year)	-	-

Sales by brand

Brand	FY2020 1Q	ratio
WACOAL	-51%	69%
B.tempt'd	-50%	4%
CW-X	+41%	1%
LIVELY	-	26%

FY2021 1Q: Overview of Wacoal Europe

Significant decrease in sales due to lockdown measures in major cities resulting from the spread of infectious disease

Net sales

¥1.7 billion -¥1.8 billion year over year (YoY), (-53%) (Note: YoY change in local currency -50%)

- UK -65% decrease, N. America -44% decrease, Europe -41% decrease (Physical dept. stores and specialty stores slumped)
- As of the end of June, physical stores resumed operations (some dept. stores have shortened business hours to prevent the spread of infectious disease)
- Our own EC channel started last fiscal year exceed plan targets

Operating loss

-¥200 million -¥600 million YoY (Note: YoY change in local currency -£4 million)

- Though we utilized government support measures and made efforts to reduce overhead costs, we were unable to make up for the decline in sales

◆(Europe) Quarterly change in sales in major channels and brands (in local currency)

			FY2020				FY2021	
			1Q	2Q	3Q	4Q	1Q	ratio
Channel	store	Department store	-27%	+7%	+0%	-14%	-83%	7%
		Specialty store	-5%	+10%	+2%	-19%	-52%	49%
		Directly Managed Store	-15%	-6%	-1%	-3%	+3%	13%
	EC sites	Third party EC site/other	+19%	+29%	+4%	-9%	-32%	31%
Brand		Fantasia	-5%	+20%	-2%	-17%	-63%	25%
		Freya	-17%	+1%	-8%	-18%	-49%	27%
		Goddess	-13%	+3%	-2%	-1%	-29%	8%
		Elomi	+6%	+15%	+16%	-7%	-42%	28%
		Wacoal	-8%	+8%	+10%	-24%	-44%	11%
		B.Tempted	-16%	-17%	-17%	-29%	-63%	1%

Sales by region

Area	FY2020 1Q	ratio
UK	-65%	25%
Europe	-41%	29%
North America	-44%	36%
other	-38%	10%

FY2021 1Q: (Jan – Mar) Overview of Wacoal China

Though sales at physical store decreased due to the spread of infectious disease, EC maintained high growth

Net sales

¥1.7 billion -¥1.4 billion year over year (YoY), (-44%) (Note: YoY change in local currency -42%)

- EC sales were strong due to strengthened collaboration with EC mall operators
- Targeting millennials, sales of the Japanese brand ANPHI, which was released last year, were strong

Operating profit

¥100 million -73% YoY (Note: YoY change in local currency -72%)

- Profitability was maintained by reducing SG&A expense (-¥300 million vs last year) and utilizing government support measures, etc.

◆(China) Quarterly change in sales in major channels and brands (in local currency)

		FY2020				FY2021	
		1Q	2Q	3Q	4Q	1Q	ratio
Channel	Department store	+2%	-3%	-4%	+1%	-52%	66%
	Third party EC site	+22%	+26%	+17%	+7%	+1%	34%
Brand	Wacoal	+6%	+11%	+1%	+5%	-41%	84%
	Salute	-11%	-16%	-15%	-7%	-50%	8%
	LA ROSABELLE	-42%	-19%	-74%	-92%	+0%	0%
	ANPHI	—	—	—	—	+278%	2%
	Peach John	+3%	-38%	-28%	-28%	-47%	6%

FY2021 1Q: Overview of other Asian Businesses

Figures include sales from Hong Kong Wacoal, Wacoal International Hong Kong, Wacoal Singapore, Philippine Wacoal, Wacoal India, (the following are factories), Dalian Wacoal, Guangdong Wacoal, Vietnam Wacoal, Myanmar Wacoal, A Tech, G Tech, and one other company, and account adjustments for Wacoal Business (overseas)

The impact of infectious disease spreading globally directly impacted operations of businesses in Asia (other than China) as well

Net sales

¥1 billion -¥900 million year over year (YoY), (-46%)

- Hong Kong: Struggled due to the impact of the spread of infectious disease and overlapping political instability
- Singapore, Philippines: As these businesses have yet to develop EC, sales were down significantly YoY
- Thai material companies (A Tech, G Tech) slumped due to reduced orders resulting from customer excess inventory

Operating loss

-¥100 million -¥300 million YoY

- Although each company worked to reduce expenses, these efforts could not absorb the impact of decrease sales, and resulted in operating losses

◆(Other Asia/sales companies) Quarterly change in sales in major channels and brands (in local currency)

	FY2020				FY2021
	1Q	2Q	3Q	4Q	1Q
Wacoal Hong Kong	-24%	+23%	-49%	-16%	-37%
Singapore	+2%	-13%	+8%	-18%	-83%
Philippines	+15%	-24%	+37%	-29%	-88%
India	+57%	+113%	+75%	+71%	-86%

FY2021 1Q: Overview of Four Domestic Subsidiaries (1) (Peach John and Ai)

Peach John: Domestic sales increased due to strong sales of mainstay products through the company's own EC channel. Cost cutting also contributed, resulting in profitability

Net sales

¥2.5 billion -¥50 million year over year (YoY), (-2%)

Operating profit

¥200 million

+¥300 million YoY

		FY2020				FY2021	
		1Q	2Q	3Q	4Q	1Q	ratio
◆Peach John Sales by domestic business·Quarterly change							
Japan	Mail-order	-13%	-3%	-11%	+14%	+68%	74%
	Store	-3%	+10%	+4%	-1%	-54%	26%

		FY2020				FY2021
		1Q	2Q	3Q	4Q	1Q
◆Peach John Sales by overseas business·Quarterly change						
Overseas ★★	Hong Kong	-24%	-31%	-36%	-23%	-53%
	Taiwan (stores+ EC)	+5%	+2%	+0%	+30%	-12%
	Shanghai·Beijing etc (Directly Managed Store)	-19%	-24%	-23%	-23%	-62%
	Shanghai·Beijing etc (Third party EC site)	+9%	-48%	-23%	-33%	-44%
	Shanghai·Beijing etc total	-2%	-41%	-23%	-30%	-50%

★★Change rate based on local currency. The rate of increase or decrease in sales at retail stores and EC sites in each region.
(The figures for "Shanghai·Beijing etc" are from January to June.)

Ai: In addition to store closures due to the spread of infectious disease and people refraining from going out, decreased resort wear demand also impacted the business

Net sales

¥300 million -¥600 million year over year (YoY), (-69%)

Operating loss

-¥200 million

-¥100 million YoY

		FY2020				FY2021	
		1Q	2Q	3Q	4Q	1Q	ratio
◆Ai Sales by division·Quarterly change							
Resort wear (A former name of Swimwear)		-12%	-21%	+3%	-27%	-80%	40%
Innerwear		+0%	+0%	-2%	-1%	-37%	60%

FY2021 1Q: Overview of Four Domestic Subsidiaries (2) (Lecien and Nanasai)

Lecien: Though business withdrawals implanted last FY were effective, the decrease in revenue due to sluggish sales because of customer inventory controls etc. was impactful

Net sales **¥1 billion** -¥300 million year over year (YoY), (-25%)

Operating loss **-¥100 million** same as last year

◆ Lecien Sales
by division・Quarterly change

	FY2020			
	1Q	2Q	3Q	4Q
Manufacturing business (A former name of Innerwear,Apparel Div.)	+3%	+3%	+13%	-10%
Material business (A former name of Material,Art Hobby Div.)	-9%	-3%	-19%	-14%
EC planning and sales business (Wacoal's Own EC Site・Third party EC site)	+20%	+24%	+16%	+22%

	FY2021	
	1Q	ratio
Innerwear	-25%	78%
Embroidery	+2%	10%
Lace	-54%	12%

Nanasai: Construction orders decreased due to a reduction in customer new store openings and events because of the spread of infectious disease

Net sales **¥1.2 billion** -¥700 million year over year (YoY), (-37%)

Operating loss **-¥200 million** -¥200 million YoY

◆ Nanasai Sales
by division・Quarterly change

	FY2020				FY2021	
	1Q	2Q	3Q	4Q	1Q	ratio
Rental and lease	-13%	-8%	-10%	-17%	-43%	23%
Production sales	-21%	-21%	-16%	-32%	-39%	19%
Construction	-27%	+33%	-7%	-13%	-41%	58%

Overview of New Business Segments

segment	Business content	Major company
<p>Wacoal Business (Japan)</p>	<p>A segment centered on the business of Wacoal Corp.</p>	<p>Wacoal Corp. Wacoal Holdings Corp. Apparel Manufacturing Companies(factory),Distribution company Sales Companies (Unenana Cool Corp. etc) other</p>
<p>Wacoal Business (Overseas)</p>	<p>A segment centered on the business of Wacoal International Corp., Wacoal China Co., Ltd., Wacoal Europe Ltd.(became subsidiary in 2012, UK).</p>	<p>Wacoal International Corp. Wacoal Europe Ltd. Wacoal China Co., Ltd. Apparel Manufacturing Companies Sales Companies other</p>
<p>Other</p>	<p>A segment centered on the business of Peach John (became subsidiary in 2008), Nanasai Co., Ltd. (became subsidiary in 1987), Lecien Corporation (became subsidiary in 2009).</p>	<p>Peach John Co., Ltd. Lecien Corp. Nanasai Co., Ltd. Ai Co., Ltd. other</p>

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